



UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF VERMONT

ALICE H. ALLEN, et al.,

Plaintiffs,

v.

DAIRY FARMERS OF AMERICA, INC.,
DAIRY MARKETING SERVICES, LLC,
and DEAN FOODS COMPANY,

Defendants.

Civil Action No. 5:09-CV-00230

**DECLARATION OF CLEMENT GERVAIS IN SUPPORT OF MOTION TO
INTERVENE AND OBJECTION TO APPROVAL OF PROPOSED CLASS
SETTLEMENT**

I, Clement Gervais, make the following declaration based upon personal knowledge of the matters set forth here.

1. I was born and raised on a dairy farm and have been in the farming business since 1995. My family and I own and operate two dairy farms in Northern Vermont. Our main farm is located in Bakersfield, Vermont and is owned and operated through Gervais Family Farm, Inc. This corporation is owned by my three brothers and I, along with my parents. In addition, my brothers and I own a second farm in Enosburg, Vermont which is incorporated as Gervais Family Farm No. 2, LLC. These farms are conveniently located close to Route 105.

2. Between the two farms we milk approximately 1,700 cows and have a total of approximately 3,200 to 3,300 animals including cows and young stock. In terms of production, I believe that we are one of the largest 18 farms in the State of Vermont. We farm approximately 1,800 acres of land that we own, and an additional 1,000 acres that we rent.

3. Our farms produce approximately 133,000 pounds of milk per day. We are members of the St. Albans Cooperative and have been since 1995. Our milk is pooled on Federal Order 1 and is picked up twice per day.

4. I currently serve on the Young Farmers Board of the St. Albans Cooperative. In this capacity, I become involved in certain decisions that the cooperative makes when the Board of Directors seeks our input. All of the final decisions are made by the Board of Directors. In addition, the Young Farmers Board, puts on educational events in the community relating to the farming industry.

5. I believe that coops are good for farmers because it is important for farmers work together. Coops allow farmers to work together in terms of selling and marketing our milk for the highest price, and also provides a voice for farmers at the local and national levels.

6. I believe that we are better off as a member of St. Albans for three reasons. First, St. Albans provides a market for our milk through its supply contracts with processors. Having a number of different purchasers allows us to have a consistent and reliable outlet for all of our milk. Second, St. Albans is a balancing plant and is able to produce powdered milk if there is not enough demand so that we can at least sell our milk at a lower price. Finally, St. Albans is able to add value to our milk because it has the capacity to separate milk by pulling out butter fat, leaving skim milk. The butter fat is sold to ice cream producers at a premium and the skim milk is sold to fluid milk bottlers. Thus, St. Albans adds value by creating this market for us.

7. St. Albans also has a relationship with Dairy Marketing Services, Inc. ("DMS"), which is also beneficial to us because DMS expands the market for Class I milk and also provides additional efficiencies in terms of the costs for hauling and marketing our milk.

8. In addition to price and cost benefits, coops also provide valuable services to farmers. For example, the St. Albans coop operates a store which allows members to buy supplies for cheaper prices and also returns profits to the members. In addition, St. Albans has fertilizer and grain programs whereby the coop will pay vendors up front, which allows farmers to take advantage of discounts and then pay the cooperative over time to help with cash flow.

9. I am very confident that St. Albans and other coops are acting in the best interest of their member farmers and that coops have resulted in better financial results for the farmers.

10. I have read Dean's Proposed Settlement with the Plaintiffs in this lawsuit and I have serious concerns that Section 9.2 will ultimately harm members of the St. Albans cooperative.

11. If Dean purchases up to 60 million pounds of milk from non-DMS farmers, then coops like St. Albans are going to have to sell a significant amount of milk somewhere else. While, St. Albans will likely find a buyer for this milk, it will almost certainly be at a price lower than the Class I price.

12. I do not know where Dean will go to purchase this milk, but they will likely offer to pay lower prices and once a farmer accepts a lower price it is likely to result in a lower price for all of us. DMS has worked hard for us to create a good Class I market and this will likely undue that good work.

13. I do not believe that the money that Dean proposes to pay in the settlement is enough to off-set the damage that this agreement will do to dairy farmers. I'm not sure how plaintiffs figure the "average" farmer will receive \$2500, but even if we received \$10,000 a drop in price of only 25¢ cwt would eat up \$10,000 in revenue for a single month.

14. I understand that the plaintiffs and their lawyers might be trying to look after the interests of all dairy farmers, but I do not think that this deal is good for us. While it may be good for some farmers, it will hurt others.

I declare under penalty of perjury that the foregoing is true and correct and that this Declaration was executed on January, 18, 2011, in Enosburg VT.

Clement Gervais
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